

MOR-1**UNITED STATES BANKRUPTCY COURT**

CASE NAME: DEEP MARINE 4, LLC
CASE NUMBER: 09-39318
PROPOSED PLAN DATE: TBD

PETITION DATE: 12/4/2009
DISTRICT OF TEXAS: SOUTHERN
DIVISION: HOUSTON

MONTHLY OPERATING REPORT SUMMARY FOR DECEMBER 2009

MONTH	DEC 2009 (1)					
REVENUES (MOR-6)	0.00	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME (LOSS) (MOR-6)	(71,071.00)	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	0.00	0.00	0.00	0.00	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED
AS OF SIGNATURE DATE

		EXP. DATE
CASUALTY	N/A	- - -
LIABILITY	N/A	- - -
VEHICLE	N/A	- - -
WORKER'S	N/A	- - -
OTHER	N/A	- - -

Are all accounts receivable being collected within terms?
Are all post-petition liabilities, including taxes, being paid within terms?
Have any pre-petition liabilities been paid?

CIRCLE ONE

☒ Yes ☐ No☒ Yes ☐ No☐ Yes ☒ No

If so, describe

Are all funds received being deposited into DIP bank accounts?

☒ Yes ☐ No

Were any assets disposed of outside the normal course of business?

☐ Yes ☒ No

If so, describe

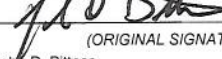
Are all U.S. Trustee Quarterly Fee Payments current?

☒ Yes ☐ No

What is the status of your Plan of Reorganization?

ATTORNEY NAME: Marcy E. Kurtz
FIRM NAME: Bracewell & Giuliani LLP
ADDRESS: 711 Louisiana Street, Suite 2300
CITY, STATE, ZIP: Houston, Texas | 77002-2770
TELEPHONE/FAX: T: 713.221.1206 | F: 713.221.2125

I certify under penalty of perjury that the following complete
Monthly Operating Report (MOR), consisting of MOR-1 through
MOR-9 plus attachments, is true and correct.

SIGNED X  TITLE: Chief Restructuring Officer
(OBJECTIVE SIGNATURE)
John D. Bittner 1/20/2009
(PRINT NAME OF SIGNATORY) DATE

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Revised 07/01/98

Footnotes

(1) Includes the period from 12/4/2009 to 12/31/2009.

CASE NAME: DEEP MARINE 4, LLC

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COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	12/4/2009	12/31/2009					
CURRENT ASSETS							
Cash (MOR-7)	0.00	0.00					
Accounts Receivable, Net	0.00	0.00					
Inventory: Lower of Cost or Market	0.00	0.00					
Prepaid Expenses	0.00	0.00					
Investments	0.00	0.00					
Other	0.00	0.00					
TOTAL CURRENT ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	21,000,000.00	21,000,000.00					
Less Accumulated Depreciation	1,553,425.00	1,624,496.00					
NET BOOK VALUE OF PP & E	19,446,575.00	19,375,504.00	0.00	0.00	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits	0.00	0.00					
2. Investments in Subsidiaries	0.00	0.00					
3. Electric Deposit	0.00	0.00					
4.	0.00	0.00					
TOTAL ASSETS	\$19,446,575.00	\$19,375,504.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

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CASE NAME: DEEP MARINE 4, LLC

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COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	12/4/2009	12/31/2009					
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)	0.00	0.00					
PRE-PETITION LIABILITIES							
Notes Payable - Secured	0.00	0.00					
Priority Debt	0.00	0.00					
Federal Income Tax	0.00	0.00					
FICA/Withholding	0.00	0.00					
Unsecured Debt (1)	19,531,098.00	19,531,098.00					
Other	0.00	0.00					
TOTAL PRE-PETITION LIABILITIES	19,531,098.00	19,531,098.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	19,531,098.00	19,531,098.00	0.00	0.00	0.00	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK	\$0.00	\$0.00					
COMMON STOCK	\$0.00	\$0.00					
ADDITIONAL PAID-IN CAPITAL	\$0.00	\$0.00					
RETAINED EARNINGS: Filing Date	(\$84,523.00)	(\$84,523.00)					
RETAINED EARNINGS: Post Filing Date	0.00	(71,071.00)					
TOTAL OWNER'S EQUITY (NET WORTH)	(\$84,523.00)	(\$155,594.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL LIABILITIES & OWNERS EQUITY	\$19,446,575.00	\$19,375,504.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

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Footnotes

(1) Consists of intercompany payable to Deep Marine Technology, Inc.

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SCHEDULE OF POST-PETITION LIABILITIES

	MONTH 12/31/2009	MONTH	MONTH	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE	0.00					
TAX PAYABLE						
Federal Payroll Taxes	0.00					
State Payroll Taxes	0.00					
Ad Valorem Taxes	0.00					
Other Taxes	0.00					
TOTAL TAXES PAYABLE	0.00	0.00	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION	0.00					
ACCRUED INTEREST PAYABLE (1)	0.00					
ACCRUED PROFESSIONAL FEES*	0.00					
OTHER ACCRUED LIABILITIES						
1.	0.00					
2.	0.00					
3.	0.00					
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

*Payment requires Court Approval
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Revised 07/01/98

Footnotes

(1) The Debtors have not accrued interest on any pre-petition debt since the petition date. Certain secured debt holders may or may not be entitled to post-petition interest and the Debtors reserve the right to amend their monthly operating reports or make adjustments in future periods with respect to accruing post-petition interest.

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AGING OF POST-PETITION LIABILITIES
MONTH 12/31/2009

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	LOCAL TAXES	AD VALOREM, OTHER TAXES
0-30	0.00	0.00	0.00	0.00	0.00	0.00
31-60	0.00	0.00	0.00	0.00	0.00	0.00
61-90	0.00	0.00	0.00	0.00	0.00	0.00
91+	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	12/31/2009					
0-30 DAYS	0.00					
31-60 DAYS	0.00					
61-90 DAYS	0.00					
91+ DAYS	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CASE NAME: DEEP MARINE 4, LLC
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STATEMENT OF INCOME (LOSS)

	MONTH 12/4/09 - 12/31/09	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)	0.00						0.00
TOTAL COST OF REVENUES	0.00						0.00
GROSS PROFIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING EXPENSES:							
Selling & Marketing	0.00						0.00
General & Administrative	0.00						0.00
Insiders Compensation	0.00						0.00
Professional Fees	0.00						0.00
Other	0.00						0.00
Other	0.00						0.00
TOTAL OPERATING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT, DEPR/TAX (MOR-1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTEREST EXPENSE	0.00						0.00
DEPRECIATION	71,071.00						71,071.00
OTHER (INCOME) EXPENSE*	0.00						0.00
OTHER ITEMS**	0.00						0.00
TOTAL INT, DEPR & OTHER ITEMS	71,071.00	0.00	0.00	0.00	0.00	0.00	71,071.00
NET INCOME BEFORE TAXES	(71,071.00)	0.00	0.00	0.00	0.00	0.00	(71,071.00)
FEDERAL INCOME TAXES	0.00						0.00
NET INCOME (LOSS) (MOR-1)	(\$71,071.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$71,071.00)

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Footnote Mandatory.

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

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CASH RECEIPTS AND DISBURSEMENTS	MONTH 12/4/09 - 12/31/09	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RECEIPTS:							
2. CASH SALES	0.00						0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE	0.00						0.00
4. LOANS & ADVANCES (attach list)	0.00						0.00
5. SALE OF ASSETS	0.00						0.00
6. OTHER (attach list)	0.00						0.00
TOTAL RECEIPTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Withdrawal) Contribution by Individual Debtor MFR-2*	0.00						0.00
DISBURSEMENTS:							
7. NET PAYROLL	0.00						0.00
8. PAYROLL TAXES PAID	0.00						0.00
9. SALES, USE & OTHER TAXES PAID	0.00						0.00
10. SECURED/RENTAL/LEASES	0.00						0.00
11. UTILITIES & TELEPHONE	0.00						0.00
12. INSURANCE	0.00						0.00
13. INVENTORY PURCHASES	0.00						0.00
14. VEHICLE EXPENSES	0.00						0.00
15. TRAVEL & ENTERTAINMENT	0.00						0.00
16. REPAIRS, MAINTENANCE & SUPPLIES	0.00						0.00
17. ADMINISTRATIVE & SELLING	0.00						0.00
18. OTHER (attach list)	0.00						0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. PROFESSIONAL FEES	0.00						0.00
20. U.S. TRUSTEE FEES	0.00						0.00
21. OTHER REORGANIZATION EXPENSES (attach list)	0.00						0.00
TOTAL DISBURSEMENTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22. NET CASH FLOW	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23. CASH - END OF MONTH (MOR-2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Applies to Individual debtors only

**Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

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CASE NAME: DEEP MARINE 4, LLC
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CASH ACCOUNT RECONCILIATION
MONTH OF 12/4/09 - 12/31/09

BANK NAME	N/A	N/A	N/A	N/A	N/A
ACCOUNT NUMBER	N/A	N/A	N/A	N/A	N/A
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	0.00	0.00	0.00	0.00	\$0.00
DEPOSITS IN TRANSIT	0.00	0.00	0.00	0.00	\$0.00
OUTSTANDING CHECKS	0.00	0.00	0.00	0.00	\$0.00
ADJUSTED BANK BALANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS	0.00	0.00	0.00	0.00	\$0.00
RECEIPTS*	0.00	0.00	0.00	0.00	\$0.00
TRANSFERS BETWEEN ACCOUNTS	0.00	0.00	0.00	0.00	\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	0.00	0.00	0.00	0.00	\$0.00
CHECKS/OTHER DISBURSEMENTS*	0.00	0.00	0.00	0.00	\$0.00
ENDING CASH - PER BOOKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH 12/4/09 - 12/31/09	MONTH	MONTH	MONTH	MONTH	MONTH
1.						
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH 12/4/09 - 12/31/09	MONTH	MONTH	MONTH	MONTH	MONTH
1.						
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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